GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:4777
ANSWERED ON:19.12.2002
RECOVERY OF OUTSTANDING DUES FROM NORTH EASTERN STATES
RANEE NARAH

Will the Minister of POWER be pleased to state:

(a) whether the NEEPCO has to recover huge outstanding dues from the North Eastern States;

(b) if so, the details in this regard as on date, State-wise; and

(c) the steps taken to ensure speedy recovery of the dues from the above States?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : Yes Sir.

(b) : The details of outstanding dues payable by the North Eastern States to theNorth Eastern Electric Power Corporation (NEEPCO) from the North Eastern States are given in the Annexure.

(c) : On the basis of the recommendations of the Expert Group under the Chairmanship of Montek Singh Ahluwalia that was endorsed, with minor modifications, by the High Level Empowered Group of Chief Ministers under the Chairmanship of Deputy Chairman of the Planning Commission, Government of India announced thescheme of one-time settlement of outstanding dues on 17-04-2002. On 20-05-2002 a model Tripartite Agreement (TPA) that is to be signed among the State Government, Ministry of Finance, Government of India and the Reserve Bank of India (RBI) wascirculated to all the states. The benefits that would accrue to the States participating in the scheme are:

(i) Waiver of 60% of the interest/surcharge on the delayed payments as on 30.09.2001.

(ii) Securitisation of the remaining 40% of the interest/surcharge and the full principal amount through 8.5% per annum tax-free bonds issued by the respective State Governments. The bonds will have a moratorium of 5 years on repayment of principal with the entire principal being repaid between the 6th and 15th years.

(iii) Incentives of the 19% of the nominal value of bonds dues for the States thatcomply with the provisions of the scheme without committing any default during a block of six years 2002-2003 to 2005-2006.

(iv) Incentive of 2% of the nominal value of bonds for the timely opening and maintenance of Letters of Credit

(v) Assistance from APDRP Funds for distribution improvement and reducing commercial losses; and

(vi) Allocation from the discretionary quota of power from the central power generating stations.

(c) : Three North Eastern States of Assam, Sikkim and Nagaland have signed theTripartite Agreement under the scheme. The State Governments of Arunachal Pradesh, Manipur, Meghalaya, Mizoram and Tripura have been advised to sign the TPA to participate in the scheme.

ANNEXURE
ANNEXURE REFERRED TO IN REPLY TO PART(b) OF UNSTARRED QUESTION NO.4777 TO BE ANSWERED IN THE LOK SABHA ON 19.12.2002.

Details of dues payable by the North - Eastern States to NEEPCO

(Rs. In Crore)

Sl. No.	States / SEBs	As on 30.09.2001			As on 30.11.2002		
		PRIN	INTT +	TOTAL	PRIN	INTT ++	TOTAL

1 Arunachal Pradesh	17.93	4.13	22.06	24.22	3.18	27.40
2 Assam	508.57	284.08	792.65	795.63	198.10	993.73
3 Manipur	107.52	41.77	149.29	163.21	25.64	188.85
4 Meghalaya	11.39	2.72	14.11	23.71	2.40	26.11
5 Mizoram	32.62	7.93	40.55	54.64	7.25	61.89
6 Nagaland	48.37	23.49	71.86	68.84	11.67	80.51
7 Tripura	59.07	10.59	69.66	85.15	11.28	96.43
TOTAL	785.47	374.71	1160.18	1215.40	259.52	1474.92

+As on 31st March, 2001

++As on 31st March, 2002